

INGHAM COUNTY LAND BANK

FAST TRACK AUTHORITY

Minutes of the December 17, 2018 Regular Board Meeting

As approved January 23, 2019

Attendance

Members present: Treasurer Schertzing and Commissioners Crenshaw, Grebner (arrived late), and Nolan
Members excused: N/A
Others present: Executive Director Jeanna Paluzzi, Finance/Admin Manager Linda Weber; Counsel Tim Perrone; John Fifarek

Minutes

1. Call to order

Schertzing called the meeting to order at 4:04 pm in Health and Human Services Building conference rooms D+E, 5303 South Cedar Street, Lansing.

2. Approved minutes

A. November 19, 2018 Regular Board meeting

CRENSHAW MOVED, SECONDED BY NOLAN, APPROVAL OF THE MINUTES AS WRITTEN.

There was no discussion.

MOTION APPROVED UNANIMOUSLY.

3. Amendments to the agenda

There were no amendments.

Schertzing distributed one handout for 6B which shows the taxable value and the taxes which show the benefit of what the redevelopment efforts do.

4. Limited public comment

Schertzing recognized John Fifarek who asked if anyone had any questions about their request. Discussion is slated for item 6B.

5. Proposed 2019 Board meeting schedule

The Board reviewed the proposed schedule in the packet. Crenshaw said meeting after 4 pm would provide more opportunity for public comment. Schertzing asked for a gut check on proposed meeting location at Land Bank. Nolan indicated that the current building is a maze. Crenshaw asked about parking. Paluzzi indicated that would not be an issue. Paluzzi indicated a move to the Land Bank office provides a more readily-found meeting location for visitors,

access to office files to answer questions, and computer projection to aid presentation.

CRENSHAW MOVED, NOLAN SECONDED, ACCEPTANCE OF THE MEETING SCHEDULE AS PROPOSED.

MOTION APPROVED UNANIMOUSLY.

6. Resolution

A. Eastside Community Action Center

Paluzzi reviewed the pricing strategy identified in the resolution. She indicated a need to clear up winter tax assessment issues affecting several 2018 sales before scheduling the closings for the set of vacant lots.

CRENSHAW MOVED, SECONDED BY NOLAN, APPROVAL OF THE RESOLUTION AS WRITTEN.

MOTION APPROVED UNANIMOUSLY.

B. Clark St. properties

CRENSHAW MOVED, SECONDED BY NOLAN, APPROVAL OF THE RESOLUTION AS WRITTEN.

Schertzing recognized attorney Fifarek, representing RKH Investments. Paluzzi provided an overview of RKH Investments' desire to sell its two properties on Clark Street to a third party. The Land Bank/RKH Investments land contract, however, contains language currently under Land Contract that requires a principal balance to be maintained (for brownfields reasons) until 2026. Fifarek says that RKH requests, and Land Bank staff and counsel agree, to propose to the Land Bank Board that the current requirement be stricken, and another preventing any sale for nontaxable owners through March 2026 be substituted. The usual reverter clause prohibitions against marijuana operations, etc. remain. Crenshaw asked what the outstanding balance is. Paluzzi replied about \$40-42K. Nolan asked what the new owner does. Fifarek indicated that it is a women-owned bridge work engineering company. Crenshaw indicated that he went to school with owner Amy Grasso. Schertzing distributed the property tax history, demonstrating increase over time due to RKH improvements. He anticipates further contributions to local taxes due to an engineer payroll. Paluzzi indicated she and Perrone will be reviewing docs prior to the closing.

MOTION APPROVED UNANIMOUSLY.

C. Consumers Energy easement

CRENSHAW MOVED, SECONDED BY NOLAN, APPROVAL OF THE RESOLUTION AS WRITTEN.

Nolan asked about selling the land. Paluzzi indicated that there were two interested

buyers. Based on subsequent discussion, staff will offer to all interested buyers.

MOTION APPROVED UNANIMOUSLY.

7. Updates

A. Superintendent's House

Paluzzi described interest expressed in a one-year lease as office space. However, the party's proposal is a nominal monthly rent and would expose the Land Bank to more capital investments into structural and other issues. The Board opposed leasing the property, expressing strong interest in sale or land contract to the current interested property.

Crenshaw left the meeting.

B. BWL tree service

Paluzzi indicated that she was able to connect with the BWL tree service supervisor. He indicated that BWL has not yet acquired the additional staff and equipment publicly discussed last summer. BWL will not be looking to provide contract services until after its five year work plan goals were back on track.

Paluzzi also provided a financial report identifying 2018 tree services expenditures. \$203K of the total were related to Hardest Hit Fund-funded demolitions; \$24K were Treasurer foreclosure expenses; and the remaining \$1600 were Land Bank.

8. Legal counsel

A. 1733 W Holmes

Perrone indicated that there has been no further activity since the November Board meeting.

9. Financials

A. Receive Accounts Payable

GREBNER MOVED, NOLAN SECONDED, RECEIPT OF CHECK REGISTERS FROM AUGUST THROGH NOVEMBER 2018.

MOTION APPROVED UNANIMOUSLY.

B. Review PNC lines of credit history

Paluzzi reviewed the transaction history, updated through the end of 2018. There was a \$100,000 draw that was paid back within two weeks to cover cash flow concerns due to the timing of Hardest Hit Fund reimbursements. She reminded the Board that the credit lines expire in July 2019. Schertzing indicated that the bank may receive CRA credit. Grebner asked whether the Treasurer could extend credit, at a lower interest rate. Schertzing indicated corp counsel does not recommend that scenario. The county general fund is in a deficit position most of the year and borrows from other accounts. The Land Bank has to be rated to borrow other county funds. Paluzzi said we do have to figure out a game plan in advance of

July. Grebner suggested that if no significant fees are associated with maintaining the full \$5M, then let's maintain the full credit line.

C. Review 2019 budget proposal

Paluzzi reviewed the preliminary draft budget proposal, indicating that it is a work in progress. The CDBG grant has not been finalized yet. Staff will provide a final draft in January. Weber continues to apply CPA skills in reviewing details of 2018 financial activity and found factual errors from CPA consultant work earlier in the year. As such, both Paluzzi and Weber were not comfortable presenting year-end financials and a final draft budget yet. Grebner asked about the property insurance line item; Paluzzi indicated there was no paper trail documenting how prior year coverage was calculated, so of course it came in higher. Perrone indicated that a public hearing would have to be set for the purposes of adopting the budget.

GREBNER MOVED, NOLAN SECONDED, SETTING A PUBLIC HEARING AT THE JANUARY BOARD MEETING FOR THE PURPOSES OF ADOPTING THE 2019 BUDGET.

MOTION APPROVED UNANIMOUSLY.

10. Reports

A. Executive Director provided in the Board packet. Paluzzi did mention the staff holiday party Friday at a local restaurant. One toast will be for the longest tenured board member, Deb Nolan, who is retiring this year. Grebner said that the departing gift for any departing board member might be a non-sellable lot, with no street frontage. Paluzzi indicated there was a retention basin in her district that staff once hoped was a pond; that could have her name on it.

B. Board Chairman provided no additional comments.

11. Limited public comment

There was no public comment.

12. Adjournment

The meeting adjourned at 5:16 pm.

Respectfully submitted,
Linda Weber
Jeanna M. Paluzzi